FLORENCE COPPER

FLORENCE COPPER INC.
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January 10, 2020

Ms. Maribeth Greenslade
Associate Environmental Engineer
Arizona Department of Environmental Quality
Groundwater Protection
1110 West Washington Street
Phoenix, Arizona 85007

Subject: **Transmittal of 30 Day Report Describing Cause of Bulk Electrical Conductivity Alert Level Exceedances**

Dear Ms. Greenslade,

Transmitted herewith is a Report describing the cause, impacts, and mitigation of bulk electrical conductivity alert level (AL) exceedances observed in three wells at the Production Test Facility (PTF) wellfield and fulfills the 30-day Report requirement set forth in Section 2.6.2.7 of Aquifer Protection Permit (APP) No. P-106360. The exceedances were confirmed on December 11, 2019, as described below.

As you are aware, Florence Copper Inc. (Florence Copper) has observed a decrease in the bulk electrical conductivity measurements at three of the observation wells at the PTF wellfield, which are below the AL values established in APP No. P-106360. The ALs are a lower limit, and consequently an exceedance occurs when the measured values drop below the AL value. The exceedances were first observed in bulk electrical conductivity data collected on November 21, 2019, which were reported to Florence Copper on December 2, 2019, following completion of statistical analysis of the raw data. The exceedances were confirmed by bulk electrical conductivity measurements made on November 26 and December 3, 4, and 5, 2019. Statistical analysis of the bulk electrical conductivity data collected through December 5 were completed on December 10, 2019. Florence Copper was notified that the exceedances were confirmed on December 11, 2019.

The occurrence, cause, impacts, and mitigation of the exceedances are described in the attached Report.

In summary, the AL exceedances are not the result of an excursion of injected fluid. Rather, the exceedances have been caused by changed environmental conditions at ground surface resulting from successive precipitation events. These changes have resulted in increased soil moisture and decreased soil temperature, which in turn have affected background conditions in the grounding network and reference electrode system. These changes result in temporal changes of the baseline used to process the raw bulk electrical conductivity data.

Please contact me at 520-316-3710 if you require any additional information.

Sincerely,
Florence Copper Inc

Richard Tremblay
Vice President Operations

Attachment:

Summary of the Cause for Exceedance of the Bulk Electrical Conductivity Alert Level at the PTF Wellfield Report